

1. In this Bill of Lading, the following words have the following meanings:

"Carrier" means CHINA FREIGHT SERVICES LTD.

"COGSA" means the Carriage of Goods by Sea Act of the United States of America approved on 16 April 1936.

"Merchant" means and includes the shipper, the consignee, the holder of this Bill of Lading and/or the owner of the goods.

"goods" includes goods, wares, merchandise and articles of every kind whatever; and any container, trailer, tank or pallet (including similar articles of transport used to store or consolidate goods) not supplied by or on behalf of the Carrier.

"Dangerous Goods" includes goods which are of dangerous, explosive, inflammable, radioactive or damaging nature.

"Hague Rules" means the International Convention for the Unification of certain Rules of Law relating to Bills of Lading signed at Brussels on 25 August 1924.

"Hague-Visby Rules" means the Hague Rules as amended by the Protocol signed at Brussels on 23 February 1968.

"Services" means the services provided by the Carrier e.g. carriage of goods by sea, inland waterway, road, rail and/or air; and/or storage, loading, unloading, packing, unpacking, consolidation, de-consolidation, collection, delivery and/or other handling of goods.

2.1. If at any time one or more of the terms of this Bill of Lading becomes invalid or illegal, the validity or legality of the remaining terms of this Bill of Lading shall not in any way be affected.

2.2. The Carrier shall be entitled to all the rights, immunities, exceptions and limitations conferred on the carrier or the owner of the vessel by any applicable law or legislation.

2.3. Carriage of goods by sea or inland waterway covers the period from the time when the goods are loaded on to the time they are discharged from the vessel. The loading takes place either when the goods pass the vessel's rail and are on board the vessel or when the vessel's tackle is attached to the goods for taking them on board. The discharge ends either when the goods pass the vessel's rail and are off the vessel or when the vessel's tackle is removed from the goods deposited quayside. As far as carriage of goods by sea or inland waterway is concerned, the Carrier's liability shall be determined by the Hague Rules or any legislation making such Rules or the Hague-Visby Rules compulsorily applicable (such as COGSA) to this Bill of Lading, and the Hague Rules or the Hague-Visby Rules shall prevail in so far as they are inconsistent with any other terms of this Bill of Lading. The limitation amount in Article IV (5) of the Hague Rules is deemed to be the nominal value of 100 pounds sterling. Article IX of the Hague Rules is deemed to be deleted. The limitation amount according to COGSA is US\$500 per package or customary freight unit, unless the nature and value of the goods have been declared by the shipper before shipment and inserted in this Bill of Lading.

2.4. Regarding the responsibility and liability of the Carrier for loss of or damage to, or in connection with, the custody and care and handling of the goods prior to the loading on the vessel and subsequent to the discharge from the vessel, such shall be determined by the terms of this Bill of Lading but not by the Hague Rules nor the Hague-Visby Rules.

2.5. The Services are subject to the terms of this Bill of Lading.

2.6. In this Bill of Lading, words importing the singular include the plural and vice versa; words importing a gender include every gender.

2.7. Wherever it is provided in this Bill of Lading that notice shall be dispatched by the Carrier to the Merchant, such notice shall be deemed as having been dispatched if (i) the Carrier does not know the address, e-mail address or fax number of the Merchant or (ii) the notice cannot reach the Merchant through its address, e-mail address or fax number last known to the Carrier.

2.8. The Merchant's liability under this Bill of Lading shall be joint and several.

3.1. This Bill of Lading, if consigned to order, is negotiable and constitutes title to the goods. The holder, by endorsement of this Bill of Lading, is entitled to receive or transfer the goods.

3.2. This Bill of Lading, if consigned to a named consignee, is not negotiable.

3.3. This Bill of Lading is prima facie evidence of receipt of the goods by the Carrier. However, proof to the contrary is not admissible when this Bill of Lading has been transferred to a third party acting in good faith.

4.1. The Merchant entering into any business with the Carrier warrants to the Carrier that the Merchant is either the owner of the goods or the authorized agent of the owner of the goods and that it is authorized to accept the terms of this Bill of Lading not only for itself but also for the owner of the goods.

4.2. The Merchant further warrants that:

- a. all the goods have been properly and sufficiently packed and that the Carrier has no liability for any loss of, damage to or any other claims relating to the goods which are improperly or insufficiently packed; and
- b. the goods are fit and suitable for the carriage, storage and any other handling in accordance with the Merchant's instructions; and
- c. it shall fully comply with applicable laws and regulations of ports, Customs or other authorities.

5.1. The Merchant shall indemnify the Carrier against all claims, liability, losses, damage, costs and expenses (including but not limited to loss of and/or damage to any container and/or vessel) arising out of the Carrier acting in accordance with the Merchant's instructions, or arising from a breach of warranty or obligation on the part of the Merchant, or arising from the inaccurate information or the insufficient instructions provided by the Merchant, or arising from the mistake, negligence or wilful default of the Merchant.

5.2. The Merchant undertakes that no claim shall be made against any employee, agent or sub-contractor of the Carrier if such claim imposes upon them any liability in connection with any Services provided by the Carrier. If any such claim should nevertheless be made, the Merchant shall indemnify the Carrier against all consequences. Every such employee, agent and sub-contractor shall have the benefit of all the terms herein benefiting the Carrier as if such terms were expressly provided for his or its benefit. For these purposes, the Carrier contracts for itself and also as agent and trustee for each such employee, agent and sub-contractor.

5.3. The Merchant shall defend, indemnify and hold harmless the Carrier from and against all claims, costs and demands whatsoever and by whomsoever made or preferred in excess of the liability of the Carrier under the terms of this Bill of Lading, and such indemnity shall include all claims, costs and demands arising from the negligence, mistake or wilful default of the Carrier's agent or sub-contractor or from the mistake or negligence of the Carrier or its employee.

5.4. The Merchant shall defend, indemnify and hold harmless the Carrier in respect of any General Average claim that may be made against the Carrier and the Merchant shall provide such security as may be required by the Carrier. General Average shall be adjusted according to the York-Antwerp Rules 1974 or any amendment thereto or the York-Antwerp Rules 1994 or any modification thereof at the option of the Carrier.

5.5. If the vessel carrying the goods (the carrying vessel) collides with any other vessel (the non-carrying vessel) as a result of the negligence of both the vessels, the Merchant undertakes to defend, indemnify and hold harmless the Carrier against any liability to any other party in so far as such liability relates to any claim whatsoever made against the non-carrying vessel by the Merchant.

5.6. In the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which or for the consequence of which, the Carrier is not responsible, by Statute, contract or otherwise, the goods, Shipper, Consignee or owners of the goods shall contribute with the Carrier in General Average to the payment of any sacrifices, losses or expenses of a General Average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the goods. If a salving vessel is owned or operated by the Carrier, salvage shall be paid for as fully as if the said salving vessel or vessels belonged to strangers. Such deposit as the Carrier, or its agent, may deem sufficient to cover the estimated contribution of the goods and any salvage and special charges thereon shall, if required, be made by the goods, Shipper, Consignee or owners of the goods to the Carrier before delivery.

6. Except under special arrangements previously made in writing, the Merchant warrants that the goods are not Dangerous Goods, nor are goods of comparable hazard, nor are goods otherwise likely to cause damage. Should the Merchant nevertheless deliver any such goods to the Carrier or cause the Carrier to handle any such goods otherwise than under special arrangements previously made in writing, then whether or not the Carrier is aware of the nature of such goods, the Merchant shall be liable for all expenses, losses or damage whatsoever caused by or to or in connection with such goods and howsoever arising, and shall indemnify the Carrier against all penalties, claims, damages, costs, expenses and any other liability whatsoever arising in connection with such goods, and such goods may be destroyed or otherwise dealt with at the risk and expenses of the Merchant in the sole discretion of and without any liability to the Carrier. If such goods are handled by the Carrier under arrangements previously made in writing, they may nevertheless be destroyed at the risk and expenses of the Merchant in the sole discretion of and without any liability to the Carrier on account of risk to other goods, property, life or health. The goods that are likely to cause damage include goods that are likely to encourage vermin or other pests.

7. Except under special arrangements previously made in writing, the Carrier will not deal with bullion, bank notes, coins, cheques, bonds, negotiable documents and securities, precious stones, precious metal objects, jewellery, valuables, antiques, valuable works of art, live animals or plants. Should the Merchant

deliver any such goods to the Carrier or cause the Carrier to handle any such goods otherwise than under special arrangements previously made in writing, the Carrier shall be under no liability whatsoever in connection with such goods (including any loss, damage, misdelivery, misdirection or delay howsoever caused) and notwithstanding that the value of any such goods may be shown or declared on any documents accompanying such goods.

8.1. If delivery of the goods is not taken by the Merchant at the time and place when and where delivery should be taken, the Carrier shall be entitled (but is not obliged) to store the goods at the sole risk of the Merchant, whereupon any liability which the Carrier may have in respect of the goods stored shall wholly cease and the cost of such storage shall be paid by the Merchant to the Carrier.

8.2. The Carrier is entitled (but not obliged) to sell by public auction or private treaty or to dispose of all goods which in the opinion of the Carrier cannot be delivered either because the consignee's address is incorrect or because the goods are not collected or accepted by the Merchant within 14 days after notice has been dispatched to the Merchant's address, e-mail address or fax number last known to the Carrier. In case the Merchant does not receive the notice dispatched by the Carrier asking the Merchant to take delivery of the goods, such shall not affect the Carrier's aforesaid right to sell or dispose of the uncollected goods. The Merchant shall pay all costs and expenses (including but not limited to storage costs and demurrage charges) incurred in connection with the storage and the sale and/or disposal of the goods.

8.3. All goods and documents relating thereto shall be subject to a particular and general lien for monies due in respect of such goods, or for any particular or general balance or other monies due from the Merchant to the Carrier. If any such monies due to the Carrier are not paid within 14 days after notice has been dispatched to the Merchant's address, e-mail address or fax number last known to the Carrier, the goods may be sold by public auction or private treaty or may be disposed of at the sole discretion of the Carrier at the expense of the Merchant, and the proceeds if any (net of the expenses in connection with such sale) shall be applied in satisfaction of such debts, and the Carrier shall not be liable for any reduction in value received on the sale of the goods, nor shall the Merchant be relieved from the liability of any outstanding debts merely because the goods have been sold or disposed of. In case the Merchant does not receive the notice dispatched by the Carrier asking the Merchant to pay the outstanding monies, such shall not affect the Carrier's aforesaid right to sell or dispose of the goods. The Merchant is responsible for payment of all costs and expenses (including but not limited to storage costs and demurrage charges) being incurred when the goods are being liened.

9.1. Charges for the Services shall be deemed fully earned and non-returnable upon receipt of the goods by the Carrier. The Merchant shall pay to the Carrier all sums immediately when due without deduction on account of any claim, counterclaim or set-off. Payment to the Carrier is due as soon as an invoice is rendered to the Merchant. For any amount unpaid within 30 days from the date of the invoice, the Carrier shall be entitled to interest from the date of the invoice until payment at 2% per month.

9.2. If the shipment is on the freight collect basis but the consignee does not take delivery of the goods within 14 days from the date of the goods' arrival at the port of discharge or place of delivery, the shipper shall be responsible for payment of all the outstanding freight charges, and costs and expenses (including but not limited to storage costs and demurrage charges) incurred until the goods are duly delivered or are sold or disposed of as per Clauses 8.2 and/or 8.3.

10.1. The Carrier shall be entitled to sub-contract on any terms the whole or any part of the Services whatsoever undertaken by the Carrier.

10.2. The Carrier reserves to itself absolute discretion as to the means, the manner, the routes and the procedures to be followed in the performance of the Services including the carriage, the storage and the other handling of the goods. The Carrier has liberty to use any means, routes or procedures, including using any vessel whether or not named on the front page of this Bill of Lading or stowing the goods on or under deck. Anything done in accordance with the aforesaid discretion or liberty shall not be a deviation of whatsoever nature or degree.

11. If there is any loss, damage, deterioration, non-compliance or miscompliance of instructions, non-delivery, misdelivery (other than the one described in Clause 12), unauthorised delivery or misdirection of or to or in connection with the goods that arises from the negligence, mistake or wilful default of the Carrier, its employee, agent or sub-contractor, the Carrier shall be liable for any claim relating to the aforesaid incident. However, the Carrier's aforesaid liability shall not exceed a total of US\$3 per kilogram of the gross weight of that part of the goods in respect of which a claim arises. Nevertheless, the Carrier shall not limit its liability if the aforesaid incident arises from the Carrier's own wilful default.

12. If there is any misdelivery of goods without production of this Bill of Lading negligently or deliberately done by the Carrier's agent or sub-contractor that has no prior approval of the Carrier, the Carrier shall be liable for any claim relating to the aforesaid misdelivery of goods. However, the Carrier's aforesaid liability shall not exceed a total of US\$3 per kilogram of the gross weight of that part of the goods misdelivered.

13. Notwithstanding any other terms in this Bill of Lading to the contrary but subject to Clause 2.3, the Carrier shall not be liable for any claim relating to:

- a. any delay, goods shut out or off loaded, goods' departure or arrival time; or
- b. any special, incidental, indirect, consequential or economic loss (including but not limited to loss of market, profit, tax, tax return, revenue, business or goodwill); or
- c. any loss, damage, expense or cost arising from fire, flood, storm, typhoon, explosion, deviation, port congestion, strike, lock out, stoppage or restraint of labour; or
- d. any loss of or damage to the goods (which are stated on the front page of this Bill of Lading to be carried on deck and which are so carried)

even if the aforesaid incident arises from the negligence or mistake of the Carrier, its employee, agent or sub-contractor, or from the wilful default of the Carrier's agent or sub-contractor. However, if the Carrier is still legally held liable for the aforesaid claim despite the aforesaid provision, the Carrier's liability shall not exceed a total of US\$3 per kilogram of the gross weight of that part of the goods in respect of which the claim arises.

14. If there is any claim that the Carrier is legally held liable, and no other terms in this Bill of Lading (limiting or excluding the Carrier's liability) are suited to that claim, the Carrier's aforesaid liability shall not exceed a total of US\$3 per kilogram of the gross weight of that part of the goods in respect of which the claim arises. However, the Carrier shall not limit its liability if the incident leading to the claim arises from the Carrier's own wilful default.

15. The Carrier may accept liability in excess of the limits set out in Clauses 11, 12, 13 and 14 provided that (i) the value of the goods has been declared in writing by the shipper and accepted by the Carrier and (ii) the Merchant pay to the Carrier additional charges as decided by the Carrier. Details of the additional charges will be provided upon written request by the shipper. The declared value accepted shall be the Carrier's limit of liability and shall replace the limits in Clauses 11, 12, 13 and 14.

16. All and any Services provided by the Carrier gratuitously are provided on the basis that the Carrier will not accept any liability whatsoever.

17. It is agreed that superficial rust, oxidation, discoloration, or any like condition due to moisture is not a condition of damage but is inherent to the nature of the goods, and acknowledgement of receipt of the goods by the Carrier in apparent good order and condition is not a representation that such conditions of rust, oxidation, discoloration, or the like did not exist on receipt.

18. If the Services are or are likely to be affected by any risk, delay, hindrance, difficulty or disadvantage of any kind whensoever and howsoever arising (including but not limited to port congestion, strike, lock out, stoppage and/or restraint of labour), the Carrier may terminate and/or abandon the Services and place the goods at any place for the Merchant to dispose of the goods, whereupon the Carrier's liability and responsibility in respect of the goods shall cease. If the Merchant does not dispose of the goods within 14 days after notice has been dispatched to the Merchant's address, e-mail address or fax number last known to the Carrier, the Carrier is entitled (but not obliged) to sell by public auction or private treaty or to dispose of the goods at the expense of the Merchant. In case the Merchant does not receive the notice dispatched by the Carrier asking the Merchant to dispose of the goods, such shall not affect the Carrier's aforesaid right to sell or dispose of the goods. The Merchant is responsible for payment of all the outstanding freight charges, and costs and expenses (including but not limited to storage costs and demurrage charges) incurred until the goods are disposed of or sold.

19. Any claim against the Carrier must be in writing and delivered to the Carrier within 14 days from the date of delivery of the goods or the date the goods should have been delivered or the date of the event giving rise to the claim, whichever is the earliest. Otherwise, the Carrier shall be discharged of all liability whatsoever in respect of any claim.

20. The Carrier shall be discharged of all liability whatsoever in respect of any claim unless suit is brought against the Carrier in the court of the Hong Kong Special Administrative Region within nine months from the date of delivery of the goods or the date the goods should have been delivered or the date of the event giving rise to the claim, whichever is the earliest.

21. The defences, exemptions and limitations of liability provided for in this Bill of Lading shall apply in any action against the Carrier whether such action is founded in contract or in tort.

22. The contract evidenced by this Bill of Lading is governed by the laws of the Hong Kong Special Administrative Region. Any claim or dispute must be determined exclusively by the courts in the Hong Kong Special Administrative Region and no other court.